

1904, but an extension often years was to be tacitly assumed unless the abrogation of the privilege was decreed by the state.<sup>1</sup> A further extension to 1919 was made by a law of December 31, 1903, when some changes were made in the share of the state in the bank's profits.<sup>2</sup> The law of December 22, 1863, left open the possibility of establishing other banks of issue by special law, but the Bank of the Netherlands has been in fact the only bank of issue in Holland since its establishment. The capital of the bank was originally 5,000,000 florins (\$2,000,000) and has been increased from time to time to 10,000,000, 15,000,000, and 20,000,000 florins (\$8,000,000). The bank is not a public institution, but the state subscribed in 1863 for one thousand shares at 115, which were sold on June 1, 1864, at 190. The government exercises supervision through a special commissioner paid by the bank, and the president and secretary are named by the king.

The Treasury shares in the profits of the bank when they exceed a fixed amount. Under the law of 1888, dividends of five per cent, were to be paid to the shareholders, even if it was necessary to recur to the reserve fund to make up the amount. Ten per cent, of profits was then to go to the reserve fund until it reached twenty-five per cent, of capital. The remaining profits were to be divided equally between the state and the shareholders until the total dividend allotted to the latter reached seven per cent., after which they were to receive only a third. The portion going to the shareholders was further curtailed by the law of 1903, by the reduction of their initial dividend to three and one half per cent. Then, after allotments to reserve and to the management, the state was to receive two-thirds of the balance and the shareholders only one-third. In case of the refusal of further privileges in 1919, the shareholders are to retain the reserve existing on March 31, 1889, but half the subsequent accretions go to the state.<sup>8</sup>

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\* Raffalovich, in *Economiste Européen*, March 13, 1908, XXXIII., 328.<sup>8</sup> *Economist Europeen*, March 13, 1908, XXXIII., 328,